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Copy No.

2 March 1967

MEMORANDUM FOR THE RECORD

SUBJECT: Briefing by the Director of the CIA Subcommittee of House Appropriations - Thursday, 2 March 1967

1. The Director met with the CIA Subcommittee of House Appropriations beginning at nine o'clock. Present from the Subcommittee were:

George H. Mahon, Chairman
George W. Andrews
Glenard P. Lipscomb

Also present was Robert Michaels of the staff. Accompanying the Director were:

Col. L. K. White
John Clarke
William Colby
John S. Warner

Prior to the hearing there was a technical sweep of the room and technical monitoring during the hearing.

2. The Director said he would proceed in any way the Chairman wished indicating we were prepared to do a short briefing on the supplemental appropriations. With the Chairman's agreement, the Director then discussed the supplemental, utilizing the prepared remarks attached.

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25X1C 3. Mr. Colby then took over, utilizing a number of vu-graphs and explaining [redacted] aspects of the supplemental. Mr. Colby was asked to explain the purposes [redacted] which he did. In response to a question, he indicated that [redacted] officers are involved with this program but the number will increase to [redacted]. He also indicated that the Vietnamese team members now totaled 35,887 but by June of 1967 will be up to 45,000. It was explained that the [redacted] program is the very heart of the over-all pacification program and is considered most important to the Ambassador and MACV. It was stated that the Vietnamese are able to adapt to this program, based on the strong motivational training given them plus the fact that the teams only operate in provinces from which the team members came originally. In response to a question, it was indicated that about 600 team members had been killed last year and another 500 quit or defected. 25X1C Mr. Colby stated that it is clear that the Viet Cong are now targeting the [redacted] as a high priority item. In response to a question, it was 25X1C indicated that total [redacted] is 25X1C projected to arise [redacted]. It was made clear that the Agency was under directives from Ambassadors Lodge and Porter, Bureau of the Budget, and the White House to expand this effort resulting in the requirements for additional funds. It was pointed out that Senator Russell had again urged that the Agency move out of this program since it was not truly a covert program. Mr. Helms explained that he has made continuing and strong efforts to be relieved of the responsibility for this program but with no success and that he now has a direct order to continue to handle it. In response to a question as to why the Agency was not relieved, it was indicated that probably the judgment of those concerned was that no other Agency had the capability of running it successfully at this time.

25X1C 4. Mr. Colby then went through [redacted] utilizing vu-graphs indicating an additional requirement [redacted] and a total [redacted] 25X1C [redacted] for the program for the year. He stated that [redacted] officers were 25X1C involved in the arming and training of tribal groups totalling [redacted]. It 25X1C was determined that total population supported by these groups is 325,000. 25X1C Mr. Lipscomb then raised the question why, if the President cut [redacted] 25X1C [redacted] the over-all programs of the Agency which the Congress 25X1C appropriated, should the supplemental request be a total of [redacted] 25X1C It was explained that [redacted] was placed in the reserve and 25X1C the Agency absorbed the [redacted] raise money. The Director 25X1C stated that it was his belief that we should not undertake [redacted] 25X1C in additional funding without the approval of the Subcommittees which

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would not be the case were this taken from the reserve. Further, if this were taken from the reserve, there is no pending request for replenishment of the reserve and this would leave the reserve dangerously low in FY 1968. Also it can be considered that the Southeast Asia war was not the type of emergency contemplated by the reserve concept. Mr. Helms agreed that there were a number of ways of accomplishing the funding. Mr. Andrews observed that by this method the Congress was in effect building the Agency reserve up. Mr. Helms observed that the Committee could provide other valid ways of meeting the increased costs of Southeast Asia, including use of the reserve if it so chose. Mr. Lipscomb still seems to have difficulty with this approach mentioning that he was unhappy with the Department of Defense deliberately under-funding and this seemed to be going in the same pattern.

5. Mr. Helms then discussed our covert action programs and started to run down the list of activities subsidized by the Agency during fiscal 1966 [redacted]

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[redacted] There was discussion over whether to continue going down the list. Eventually it was agreed that the list would be furnished to Mr. Michaels to be available to the Subcommittee whenever they wished. Mr. Helms made it clear that he wanted to make full and factual information available to the Subcommittee but that he understood they could not keep all of these details in their minds and if the Chairman agreed, therefore, we would like to suggest the solution of leaving the list with the Subcommittee. The Chairman stated this was satisfactory. Mr. Helms then went on to point out that each of these activities is reviewed yearly to determine the value of continuing them. Also it was pointed out that for a number of years strenuous efforts have been made to find alternative means of funding some of these activities [redacted]

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[redacted] However, in general, our efforts have been fruitless. Furthermore, it was pointed out that many of these organizations originally and still today do not wish to receive Government funds on an overt basis. Mr. Mahon inquired as to the effect of the recent activity. Mr. Helms indicated that doubtless many of them will have to go on but the question is where will the funds be procured. In any event, this is a matter to which the Katzenbach committee is directing its attention and it is too early to predict the results.

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6. Mr. Lipscomb asked the general question as to whether the threat of communism is any less today. Mr. Helms stated that he has made his position abundantly clear in various forums including congressional committees that while the character of the Soviet government has changed, its objectives have not and communism remains as serious a threat as before. He commented that he and Ambassador Bohlen discussed this recently and the Ambassador summed it up by saying that the attitude of the U. S. towards Russia has changed, but the Russian attitude to the U. S. has not. When queried as to the value of building bridges, the Director stated that this was Presidential policy and care must be taken to avoid being deluded about the nature of the threat while making efforts at building bridges.

7. Mr. Mahon then inquired about the reserve items and the Director touched on each of these utilizing the attached statements:

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8. Mr. Lipscomb then discussed [redacted] his concern about the Agency releasing unclassified reports. He wished to know if we had authorized the Banking and Currency Committee to utilize this. He was informed that we had approved this since, in any event, it was unclassified and, therefore, in the public domain. The Director then pointed out that he had given orders as of yesterday that the Agency would issue no more unclassified reports. Mr. Lipscomb had a number of questions concerning this report as to substance. He then went on to point out that his discussions with our economic people and the briefings were less than satisfactory from his standpoint. He stated "they were not up to snuff." He also mentioned the incorrect charts utilized in the Defense Subcommittee briefing. Mr. Lipscomb obviously was sincerely and deeply concerned and even stated that he got the feeling that we were attempting to hide something. At the same time it was apparent that he was sincere in his criticism, indicating that the Subcommittee would be his forum for criticism and not the floor of the House.

9. The meeting ended at about 10:30 a.m.

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[redacted]
JOHN S. WARNER
Legislative Counsel

Atts.

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OLC:JSW [redacted]

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